



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 15-Sep-2024 | Report No: PIDDC00817



BASIC INFORMATION

A. Basic Project Data

Operation Name	Operation Short Name
Roads to Development	R2D
Operation ID	Financing Instrument
P506423	Investment Project Financing (IPF)
Beneficiary country/countries	Region
Philippines	Philippines
Environmental and Social Risk Classification	
Substantial	
Date PID Prepared	Estimated Date of Approval
21-May-2024	07-Oct-2024
Borrower(s)	Implementing Agency
Department of Finance	MINISTRY OF AGRICULTURE, FISHERIES, AND AGRARIAN REFORM

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Operation Cost	4.00
Total Financing	4.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	4.00
Miscellaneous 1	4.00

B. Introduction & Context

Country Context

1. The Philippines is a middle-income country, which has grown impressively in recent years. However, growth has been unequally distributed with pockets of sustained poverty remaining areas affected by conflict and/or natural hazards. Furthermore, the country is one of the most disaster-prone countries in the world and highly vulnerable to climate

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change. The frequency and intensity of disasters are projected to worsen and will have severe consequences for communities especially for those living in fragile and conflict areas. These ongoing threats have stifled development and poverty reduction and undermined social cohesion and resilience. Poverty and inequality in the Philippines remain deeply rooted particularly in rural areas in Mindanao which is home to roughly 25 percent of the country's population and 39 percent of the poor. Most of the poor are concentrated in the conflict-affected areas of Mindanao in the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM). BARMM lags significantly behind Mindanao at large and the rest of the Philippines in terms of basic social services, such as access to education, health, water and sanitation, and electricity.

2. The region's underdevelopment is largely due to civil conflict and low economic growth. The country's main peacebuilding challenges involve a limited geographic area in Bangsamoro Autonomous Region that has spillover effects on the broader Mindanao region and the Philippines overall. While the core conflict in Mindanao has been between Muslim armed groups and the government, this is not primarily religious. The broad drivers of endemic violence in the region include: (i) social injustice, alienation, and exclusion of Muslims and indigenous people (IPs); (ii) displacement of Indigenous Peoples from their ancestral domains (Ads);(iii) inter-ethnic conflicts; (iv) rido (clan war and revenge killing); (v) land tenure and ownership disputes; (vi) competition for scarce natural and mineral resources; (vii) local election disputes; (viii) ineffective governance and the lack of rule of law and service delivery; and (ix) widespread poverty and scarcity of job opportunities. Protracted land disputes and conflict have deterred investments in agriculture thereby slowing job creation, growth, and poverty reduction. Efforts to address these issues include the establishment of the BARMM, which aims to provide greater autonomy and address the root causes of poverty and social issues through improved governance, development initiatives, and continued peacebuilding efforts. Aside from addressing the causes of conflict, providing jobs and access to economic opportunities are central to stabilization and normalization in conflict areas as they present alternatives to violence.

3. The Comprehensive Agreement on the Bangsamoro (CAB) between the Government of the Philippines and the Moro Islamic Liberation Front (MILF) signed in 2014, after more than 40 years of conflict, offered new hope for peace in the region. This agreement detailed the terms for the establishment of the Bangsamoro, including governance, wealth-sharing, normalization, and transitional arrangements. Following the CAB, the Philippine Congress enacted the Bangsamoro Organic Law (BOL) in July 2018, and which was subsequently ratified through a plebiscite in 2019, provided the legal framework for the creation of BARMM. The BOL provides for a parliamentary form of government and grants the region specific powers and responsibilities. The executive power is vested in the Chief Minister, who heads the Bangsamoro Government. The Chief Minister is elected by the members of the Bangsamoro Parliament and is responsible for the administration of the region's government. The legislative power is exercised by the Bangsamoro Parliament, which is composed of members elected through a party-list system as well as district representatives. The BARMM has fiscal autonomy, with the power to levy taxes, fees, and charges. It receives an annual block grant from the national government, as well as a share of the revenues from the exploitation of natural resources within its jurisdiction. Administratively, the BARMM has the authority to create its own administrative structure, including the establishment of offices, departments, and agencies to effectively manage the region's affairs. The BARMM has jurisdiction over certain matters, such as education, health, social services, tourism, and development planning, among others, though some powers are shared with the national government. This set-up is designed to provide the BARMM with a significant degree of self-governance to address the unique needs and aspirations of the people in the region while remaining part of the Philippines.

Sectoral and Institutional Context

4. To establish lasting peace and development in BARMM, a key component of the CAB is the Normalization Process: disarmament, demobilization, and reintegration of former combatants in the Moro Islamic Liberation Front (MILF) to civilian life. The Joint Task Force for Camps Transformation (JTFCT) was established as part of the CAB's



"Normalization Annex," which outlines various steps to ensure that the peace process leads to sustainable development and security in the Bangsamoro region. The task force is composed of representatives from both the Philippine government and the MILF, working collaboratively with local communities and international partners. The JTFCT is to ensure the successful implementation of the "normalization process," a critical aspect of the peace agreement aimed at demilitarizing the region and promoting development. It is a key mechanism established under the CAB to facilitate the transformation of the MILF camps into peaceful and productive communities.

5. A Bangsamoro Normalization Trust Fund (BNTF), a multi-donor trust fund managed by the World Bank, was established to support the normalization process, including the development of six (6) previously acknowledged MILF Camps with the aim of transforming these into peaceful and productive communities. In 2020, the JTFCT conducted a needs assessment and community-level planning dialogues that informed the development of the Camps Transformation Plan (CTP) which is a six (6)-year plan that provides the overall process and direction for camp transformation and serves as a roadmap to implement the transformation of the six MILF camps. The CTP acknowledges that many camps are isolated, being in interior or mountainous areas. Furthermore, it notes that "roads, while present, are generally not accessible." They are rendered impassable by bad weather and take hours of travel from the main roads. This situation has made the transportation of agricultural inputs/implements and produce costly or impractical for farming communities located within the camps. The CTP also noted that a common aspiration expressed in all six camps "is the establishment of the supply chain to ensure a good flow of commodities, products, goods, and services from production to market". As a result, a roads project is proposed to be funded by the BNTF. In addition to improving the roads and bridges that connect camp communities to markets and urban centers (or at least the major roads that lead to these), there are many other potential advantages, including greater access to basic health and education services and facilities, other government services, banks, and non-agricultural livelihood opportunities.

6. The BNTF Steering Committee (co-chaired by the Government of the Philippines and the MILF) recommended that the BARRM Ministry of Agriculture, Fisheries, and Agrarian Reform (MAFAR) lead the implementation of the proposed road project to be funded under the BNTF given its experience and familiarity with the World Bank extensive social and environmental safeguards policies. The BARRM MAFAR plays a crucial role in the planning, implementation, and coordination of farm-to-market roads (FMRs), which are vital for improving agricultural productivity and market access in the region.

Relationship to CPF

7. The project is aligned with the current CPF for the Philippines (2019-2024). The construction of roads in the formerly acknowledged MILF Camps supports two main CPF objectives, specifically to support the normalization process in the Bangsamoro region (objective #9), and increased availability of services in conflict-affected areas (objective #8). The project also aligns with the goal of the Philippine Development Plan (PDP 2023-2028) of ensuring peace and security by expediting the normalization and reintegration of former combatants and their families. This will contribute to the PDP outcome of "Conflict-affected communities and conflict-vulnerable areas protected, and development sustained." The operation is consistent with the Philippines' national climate strategies and Nationally Determined Contributions (NDC) and the Philippine Country Climate and Development Report (CCDR), which promotes and the adoption of environmentally sustainable and climate-resilient transport. The project will contribute to these strategies by improving all-weather road connectivity and maintenance for essential last-mile access functions to serve communities.



C. Development Objective

Development Objective

8. To improve rural road access in selected MILF camp communities, with an emphasis on connecting farms to markets.

Key Results

9. PDO-level indicators are:

- i. Millions of people that benefit from improved access to sustainable transport infrastructure and services (Number)
- ii. Vehicle travel time on project roads (mins.)
- iii. Users' satisfaction of project roads (disaggregated by gender)

D. Preliminary Description

Activities/Components

10. **Rural road rehabilitation:** This proposed project will rehabilitate or construct selected farm-to-market roads (FMR) and other rural roads, (potentially including culverts / bridges), in selected areas of the six formally acknowledged MILF camps, to improve the accessibility and market access of these communities. The identified and earmarked core barangays to be funded under the project are: Camp Rajamuda, Camp Bushra, Camp Abubakar, Camp Badre, Camp Omar and Camp Bilal. Out of an initial 34 km of roads identified by the JTFCT from the Camps Transformation Investment Program (CTIP), a shortlisting exercise was carried out by MAFAR in consultation with key stakeholders, with prioritization of roads based on a list of criteria such as connectivity impact, agricultural production potential, existing plans and priorities, among others. The estimated total length of roads that can be accommodated by the available funding is approximately 12 km. The specific scope of works to be undertaken will be determined during the project preparation. All roads to be constructed/rehabilitated will incorporate suitable engineering design standards with climate resilience and road safety measures, thereby improving all-season road access for remote communities and farmers.

11. The length of rural roads that need to be rehabilitated or constructed for improving the market access to communities in the six camps is huge. However, the reason for prioritizing and selecting only short road segments at various locations (total of 12 km) is due to the limited grant amount of USD4m, assuming a unit cost of USD300k per km of road works, and to include investments in all the six camps. However, these small investments will be impactful, as they will support the peace-building process in the BARMM region, serving most of the barangays with improved infrastructure. With increased donor funding in future, there will be potential for scale-up and improved connectivity across the barangays.

12. As discussed with MAFAR, a negative list to be confirmed at project preparation is being proposed to include land acquisition and involuntary resettlement that are complex and difficult to resolve, extreme terrain challenges that would involve major works (e.g., bridges) which cost beyond the allocated TF, and security issues (e.g., presence of extremist groups), among others. The sub projects will be subject to these considerations, if necessary the replacement of the subprojects will be considered using participatory and conflict-sensitive processes. Should any land acquisition and involuntary resettlement ensue, the Government will shoulder all related costs.

13. The proposed road improvement activities will have low-risk of having a negative impact on the Philippines' low-GHG-emissions development pathways because: (a) selected roads have very low traffic volumes, (b) there are no alternative transport modes that can serve the access function, and (c) the proposed roads provide critical access to unserved or underserved communities to markets and facilities. The inherent physical climate risks to the project roads



are high owing to severe exposure and vulnerability to flooding, but though climate-resilient design and construction, the physical risks will be reduced to a moderate level after project interventions.

14. Project Management and Capacity Building: The proposed project will hire staff and consultancy services to complement the capacity of BARRM MAFAR to implement the project. This component will also be used in capacity building activities to improve the skills of local communities in FMR construction/rehabilitation activities as well as to establish operation and maintenance arrangements to ensure the sustainability of investments.

Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8: Cultural Heritage	Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered?	Explanation (Optional)
Projects on International Waterways OP 7.50	No	The activities proposed by the project doesn't involve interventions in 'international waterways', hence requirements of OP7.50 are assessed to be not relevant at this stage.
Projects in Disputed Area OP 7.60	No	The project activities are not proposed in disputed areas and hence the



requirements of OP 7.60 are assessed to be not relevant at this stage.

Summary of Screening of Environmental and Social Risks and Impacts

The project activities are expected to cause loss of vegetation, cutting of trees, localized impacts on rivers and water bodies, soil excavation and spoils generation. Construction stage impacts such as dust, health and safety, local contamination of water and inconveniences to the local communities are also expected. However, given the size and scale of the project activities, these impacts are expected to be short term and temporary. Thus, Environmental Risks for the project are assessed to be 'Moderate'. Social impacts are moderate owing to the small investment amounts and the length of the roads. Two of the proposed roads have been screened to involve a handful physical displacement of structures. Land acquisition needs to be verified and there is a need to establish if the structures encroached on existing right-of-way. Indigenous Peoples will be involved mostly as beneficiaries and some of the roads traverse or lead to their ancestral domains. Labor influx is not expected as local labor is available and no complex infrastructure work will be involved. However, as the roads will be implemented within the camps, MAFAR has limited experience with World Bank's ESF, and BARMM has its own government and legislation (including for IPs which has not yet been finalized), the rating is elevated to Substantial. Given the sensitive context, land and acquisition and relocation could become contentious and the road's increased benefits to some groups within the camps could become sensitive issues. The impacts and mitigation measures will be revisited during project preparation after engaging into a dialogue with MAFAR, JTFCT, and other relevant stakeholders about having a negative list to help ensure faster and smoother project implementation. Initial discussions with MAFAR have indicated that the list could include land acquisition and involuntary resettlement, and imminent threat to safety. The Project will endeavor to align ESF requirements and approaches with existing interventions under the BNTF including for SEA/SH as some of the camps are the same for both projects. Where relevant, the Project will also adopt existing ESF approaches of World Bank projects being implemented in BARMM such as MIADP and PRDP.

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